

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE NORTHERN DISTRICT OF IOWA

In Re:)	
)	Case No. 22-00744
Debtor: Property Holders, LTD)	Chapter 11 Subchapter V
)	
)	
)	
Debtor and Debtor-in-Possession.)	SUBCHAPTER V TRUSTEE
)	Monthly Report on Plan Progress for
)	July 2025

I. Summary:

- a. 1047 27th Street NE, Cedar Rapids, is the only property listed as of 8/19/25 per Brian Hanna the realtor for Property Holders.
- b. There is work being done to prepare other properties for the sales and rental markets, but none are listed as of 8/19/25.
- c. Rental Business:
 - i. Rental income for June is approximately \$6,125.00. There is no reported AR on the MORs.
- d. As stated last month Dupaco has reported that the current payoff amount including interest and fees is approximately \$1,672,190.00.
- e. As stated last month Green State has reported the current payoff amount including interest and fees is approximately \$342,224.61
- f. There are also over \$143,477 of unpaid real estate taxes (Dupaco and GSCU Properties).
- g. Taxes for the company have not been filed since 2021. There is an extension filed for 2022 and 2024 but they have not been extended. This is a problem that needs to be addressed.
- h. Attached is a spread sheet showing the renovation dollars per property spent since July of 2023. There have been considerable investments made in several properties that have been sold. The investment in renovation of these properties should be justified by Mr Davisson. It is true that the properties sold for a higher price, but the money spent on renovations may have been a poor business decision. It is unclear if the inflated sales price covered the cost of the property sold (I do not have the data). In other words, the sale price did not cover the actual cost of the property, and a loss was incurred. Lack of access to, or existence of, accounting records makes the analysis difficult at best.
- i. The attached spreadsheets also show the debt to appraised value for both Dupaco and GSCU. Currently Dupaco has a ratio of 65% and GSCU has a ratio of 98%.

- j. I have attached a projected rental business cash flow worksheet. It shows a debt load of 2,157,891 and projected rental of all remaining properties, it is unclear if rental income could support the debt load and expenses. The spread sheet also ignores the cost of renovating the properties held to make them capable of being rented. Mr. Davison needs to develop a business plan to show the business is viable and then preform to the plan.
- k. It is important to note that the projected cash flow does not include any payments to Mr. Davison. His return on investment is only in the properties held.
- l. There are payments being made to individuals for work being performed for the company. They are labeled as "Subcontractor" on the MORs. I do not believe they qualify as independent contractors. They look as though they should be classified as employees. This means there is a payroll tax liability and workman's compensation insurance issue. This could be a costly issue that needs quick attention.

Date: 8/20/2025

/s/ Douglas D. Flugum

Douglas D. Flugum

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Sub Chapter V Trustee

Dupaco Properties

Address	Appraised Value	Reno Cost	Status	Notes
1060 33rd St NE				Sold
2040 Spoon Creek Ct SE	\$ 625,000			
2009 Memorial Dr SE	\$ 275,000	\$ 24,984	Sold	
1720 Grande Ave SE		\$ 1,330		
1748 C Ave NE	\$ 115,000	\$ 27,953	Sold	
357 17th St SE	\$ 130,000		Sold	
351 20th ST SE	\$ 113,000	\$ 4,589		
1025 20th ST SE	\$ 121,000	\$ 509		
2532 1st Ave NE	\$ 95,000			
1047 27th St NE	\$ 151,000	\$ 20,671		
1801 Bever Ave SE	\$ -			
2307 Bever Ave SE	\$ 95,000	\$ 989		
130 Thompson Dr SE, #324	\$ 158,000	\$ 700		
3824 Indiandale Cir SE	\$ 293,000	\$ 506		
2045 Park Ave SE	\$ 150,000	\$ 40		
2842 14th Ave SE	\$ 158,000	\$ 7,425		
1734 5th Ave SE	\$ 125,000	\$ 2,139		
2916 Iowa Ave SE	\$ 97,000	\$ 68,316	Sold	
2164 Blake Blvd SE	\$ 202,000	\$ 1,400		
412 26th St SE	\$ 144,000	\$ 1,331		
2021 Grande Ave SE	\$ 144,000	\$ 46,571		
2103 Bever Ave SE	\$ 92,000	\$ 200		
1610 Park Ave SE	\$ 51,000			
1052 32nd St NE	\$ 53,000			

Outstanding Loan and expenses \$1,672,190
Taxes Due \$ 116,000
Total debt \$1,788,190
Total Appraised Value \$2,770,000
Debt Ratio 65%

GSCU Properties

Address	Appraised Value	Reno Coast	Status	Notes
1719 Bever Avenue SE	\$ 78,000	\$ 10,350		
1841 Washington Avenue SE	\$ 73,000	\$ 23,150	Sold	
1818 7th Avenue SE	\$ 90,000	\$ 1,051	Sold	
1713 7th Avenue SE	\$ 72,000	\$ 7,121	Sold	
825 18th Street SE	\$ 83,000	\$ 31,537	Sold	
1933 Higley Avenue SE	\$ 40,000			
1158 28th Street SE			Sold	
838 15th Street SE	\$ 100,000	\$ 5,701		
528 15th Street SE	\$ 60,000	\$ 800		
1548 7th Avenue SE			Sold	
1557 6th Avenue SE	\$ 116,000		Sold	
1714 6th Avenue SE	\$ 100,000	\$ 14,559		

Outstanding Loan and expenses \$342,224.00
Taxes Due \$ 27,477
Total debt \$ 369,701
Total Appraised Value \$ 378,000
Debt Ratio 98%

Projected Cash Flow for Property Holders		Data	Monthly	Yearly	Average Monthly per Property	Notes
Income						See attached spreadsheet for property details. There are 22 properties Currently being held
	Number Of Properties / Units		22			
	Gross Projected Rent Amount For All Propertie:	\$ 25,800	\$25,800	#####	\$ 1,172.73	
	Vacancy Bad Debt %	25%	\$ 6,450	\$ 77,400		
	Total projected proceeds		\$ 19,350	\$ 232,200		
Expenses						
	Property Management Fees	\$ -	\$ -	\$ -	\$ -	
	Repairs and Maintenance	\$ 4,000	\$ 4,000	\$ 48,000	\$ 182	The repairs and rental turnover costs will increase with a month to month rental with no security deposits.
	Real Estate Taxes	\$ 4,180	\$ 4,180	\$ 50,160	\$ 190	
	Rental Property Insurance	\$ 3,520	\$ 3,520	\$ 42,240	\$ 160	
	Utilities	\$ 1,760	\$ 1,760	\$ 21,120	\$ 80	
	Pest Control	\$ 220	\$ 220	\$ 2,640	\$ 10	
	Accounting and Legal	\$ 550	\$ 550	\$ 6,600	\$ 25	
	Office / Admin / Other	\$ 700	\$ 700	\$ 8,400	\$ 32	This item is for things like gas and truck expense along with postage and other items.
	Total projected Expenses		\$ 14,930	\$ 179,160		
Loan Servicing Expense						
	Financed Amount	#####				This is an estimated amount. Costs will continue to accrue as the property liquidation continues to be pushed out.
	Loan Amortization In Years	15				
	Loan Interest Rate	8.0%				Estimated Rate. My be too low based on credit history and business performance.
	Monthly Payment Amount		\$ 20,622	\$ 247,463		
Cash Flow						
	Cash Flow Before Taxes		\$(16,202)	\$(194,423)		